

**STATE OF MICHIGAN
DEPARTMENT OF LABOR & ECONOMIC GROWTH
OFFICE OF FINANCIAL AND INSURANCE SERVICES**

Before the Commissioner of the Office of Financial and Insurance Services

In the matter of:

**Xiaowei Zhang
44970 Roundview Drive
Novi, Michigan 48375**

Enforcement Case No. 06-3989

Respondent

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**Issued and entered,
April 19, 2006
by Linda A. Watters,
Commissioner**

CONSENT ORDER

**I.
BACKGROUND**

Oaland, Inc. (“Oaland”), is a Michigan domiciled corporation, organized under the laws of the State of Michigan, that has made application for licensure as a mortgage broker under the Mortgage Brokers, Lenders, and Servicers Licensing Act (“MBLSLA”), Act No. 173 of 1987, as amended, MCL 445.1651 *et seq.* Xiaowei Zhang (Respondent) is the President, Secretary and Treasurer of Oaland. Respondent is not presently licensed by the Office of Financial and Insurance Services (“OFIS”) pursuant to the MBLSLA or any other consumer finance statute regulated by OFIS. In reviewing Oaland’s application, OFIS staff determined that Respondent was already conducting mortgage related activities, which require licensure as a mortgage broker under the MBLSLA.

Respondent and OFIS staff have conferred and have agreed to resolve this matter according to the terms set forth below.

II. FINDINGS OF FACT AND CONCLUSIONS OF LAW

1. From March 2002 through December 2002, Respondent was employed as a loan officer for a licensee, Golden Way Inn Corporation, license no. FL-0392.

2. In January of 2003, Respondent became employed as a loan officer for a licensee, A Best Financial Corporation, license no. FL-2719.

3. Respondent's compensation was reported via a 1099 form for the years ending 2002, 2003, and 2004. Respondent's 1099 independent contractor compensation from Golden Way Inn Corporation for year-end 2002 was \$22,768.58. Further, Respondent's 1099 independent contractor compensation from A Best Financial Corporation for year-end 2003 was \$155,747.48 and \$39,233.19 for year-end 2004.

4. Section 2(1) of the MBLSLA prohibits a person from acting as a mortgage broker, mortgage lender, or mortgage servicer without first obtaining a license or registration.

5. Section 2(3) of the MBLSLA prohibits a residential mortgage loan originator (also known as a loan officer) from receiving directly or indirectly any compensation, commission, fee, points or other remuneration from a mortgage broker, mortgage lender, or mortgage servicer other than his/her employer.

6. Respondent conducted first lien mortgage business without the requisite license or registration certificate required under Section 2(1) of the MBLSLA.

III. ORDER

Therefore it is ORDERED that:

1. Respondent shall cease and desist violating sections 2(1) and 2(3) of the MBLSLA.
2. Respondent shall pay to OFIS an applicable civil penalty of \$1000.00.
3. Respondent, as President, Secretary and Treasurer of Oaland, Inc., shall establish and maintain a program to monitor and ensure compliance with all state and federal consumer laws and regulations relating to all mortgage activity.
4. Respondent, as President, Secretary and Treasurer of Oaland, Inc., shall educate herself and all employees of Oaland, Inc. with respect to all state and federal consumer laws and regulations, including the Mortgage Brokers, Lenders, and Servicers Licensing Act.
5. Respondent shall review and ensure that Oaland, Inc. complies with the OFIS Consumer Finance Bulletin No. 2003-09-CF, posted on the OFIS website, which clarifies OFIS' position on employees and branch offices in Michigan.
6. Respondent, as President, Secretary and Treasurer of Oaland, Inc., shall immediately designate a compliance officer for Oaland, Inc., and provide written notification to OFIS of the compliance officer's name and business address, to ensure that Oaland, Inc. is in compliance with all applicable state and federal laws. Respondent's written notice designating a compliance officer shall accompany Respondent's payment of a civil fine as provided for in Paragraph 2 of this Order. Respondent, as President, Secretary and Treasurer of Oaland, Inc., shall notify the Office of Financial and Insurance Services of any change in designation of the compliance officer within 30 days of such re-designation.

The Commissioner retains jurisdiction over the matters contained herein and has the authority to issue such further order(s) as she shall deem just, necessary and appropriate in accordance with the provisions of the MBLSLA. Failure by Respondent to abide by the terms and provisions of this Order may result in the commencement of additional proceedings.

A handwritten signature in black ink, reading "Linda A. Watters" followed by a horizontal flourish.

Linda A. Watters
Commissioner